

# Storm, overtime costs push MontCo over budget by \$54m

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County Executive Ike Leggett is requesting an extra \$23.4 million for snow removal and storm damage costs.

Cash-strapped Montgomery County is expected to bust through its reserves by an extra \$54 million this fiscal year, mostly because of storm cleanup and overtime expenses, according to new figures.

County Executive Ike Leggett is requesting an extra \$23.4 million for snow removal and storm damage costs. And the police, fire and corrections departments, as well as transit and permitting services, are expected to exceed their overtime budgets by millions of dollars.

"It's about 20 percent of our reserves; that's not where we want to be," conceded Office of Management and Budget Director Joseph Beach.

It is hardly a welcome development for the wealthy jurisdiction, whose coveted AAA bond rating was endangered last year amid questions from rating agencies about the structural soundness of the suburb's finances.

Aside from a damaging snowstorm in late January, Montgomery was largely spared from devastating storms that wreaked havoc on the region -- and local governments' budgets -- in 2010.

Still, the county budgeted just \$3.2 million for snow and other storm cleanup this fiscal year despite spending \$64 million on such expenses the year before.

County officials are also concerned about escalating overtime payments for public workers.

The overtime costs are largely contributing to overages in the fire, corrections and police departments, Beach said. In total, the three departments are in the red by nearly \$7 million, according to Beach's figures.

However, some contend that overtime costs are not bleeding the county dry.

"Sometimes, when you're managing these things, it's less expensive to use overtime than hire somebody new," said Patrick Lacefield, spokesman for County Executive Ike Leggett.

In response to chronic budget woes and warnings from rating agencies, Montgomery officials have since moved to replenish reserves.

Under the county's new fiscal policy, reserves will reach 6.1 percent of the budget next fiscal year before climbing to 10 percent by the end of the decade.

The county will devote \$5.9 million to a reserve fund for storm and snow removal under a newly passed budget for next fiscal year.

Just the threat of a major storm, though, could wipe out those funds, officials acknowledged.

"Even when you have light snowfall, you're holding people over, putting a lot of materials on the road," Beach said. "Even if it doesn't materialize ... if you risk it and wait too long, you're not going to be able to respond."

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